



Ninety-Eighth Legislature - Second Session - 2004
Committee Statement
LB 978

Hearing Date: January 20, 2004

Committee On: Banking, Commerce and Insurance

Introducer(s): (Quandahl)

Title: Change provisions relating to the Nebraska Installment Loan Act

Roll Call Vote – Final Committee Action:

Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

Vote Results:

7	Yes	Senators Quandahl, Tyson, Foley, Jensen, Johnson, Mines, Redfield
	No	
	Present, not voting	
1	Absent	Senator Louden

Proponents:

Senator Mark Quandahl
Bruce Cutshall
Walt Radcliffe

Representing:

Introducer
NE Financial Services Coalition
NE Financial Services Coalition

Opponents:

Sam Baird

Representing:

NE Department of Banking and Finance

Neutral:

Representing:

Summary of purpose and/or changes:

LB 978 (Quandahl) would amend sections 45-1024 and 45-1025 of the Nebraska Installment Loan Act to provide that mortgage loans made by installment loan licensees shall be subject to the Mortgage Bankers Registration and Licensing Act regardless of whether they are purchase-money loans.

The bill would provide as follows:

Section 1 would enact a new subsection (7) of section 45-1024 of the Nebraska Installment Loan Act to provide that loans secured by real estate that are mortgage loans, as defined in section 45-702 of the Mortgage Bankers Registration and Licensing Act ("any loan or

extension of credit secured by a lien on real property”), shall not be subject to the Nebraska Installment Loan Act, and that an installment loan licensee making such loans shall comply with and be subject to the Mortgage Bankers Registration and Licensing Act, except that such licensee shall not be required to obtain a mortgage bankers license.

Section 2 would amend subdivisions (2)(a) and (b) of section 45-1025 of the Nebraska Installment Loan Act to provide that: (a) loans made by an installment loan licensee pursuant to subdivision (4) of section 45-101.04 (loans made when the aggregate principal amount of the indebtedness is \$25,000 or more of the borrower to any one financial institution, licensee, or permittee) are not subject to the Nebraska Installment Loan Act, and that if such loans are mortgage loans, as defined in section 45-702 of the Mortgage Bankers Registration and Licensing Act (“any loan or extension of credit secured by a lien on real property”), such loans shall be subject to the Mortgage Bankers Registration and Licensing Act; and (b) loans made by an installment loan licensee pursuant to subdivision (11) of section 45-101.04 (loans secured solely by real estate when such loans are made by installment loan licensees and made to finance or refinance the purchase of the property or construction on or improvements to the property) are not subject to the Nebraska Installment Loan Act, and that an installment loan licensee making mortgage loans on real property, as defined in section 45-702 of the Mortgage Bankers Registration and Licensing Act (“and owner-occupied single-family, two-family, three family, or four-family dwelling which is located in this state, which is occupied, used, or intended to be occupied or used for residential purposes, and which is, or is intended to be, permanently affixed to the land”), pursuant to subdivision (11) of section 45-101.04, shall comply with and be subject to the Mortgage Bankers Registration and Licensing Act.

Explanation of amendments, if any:

Senator Mark Quandahl, Chairperson